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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/819,462	03/28/2001	Carl Steven Baumann	END9 2000 0165 US1	3427
44755	7590	04/18/2005	EXAMINER	
SHELLEY M. BECKSTRAND 61 GLENMONT ROAD WOODLAWN, VA 24381			KYLE, CHARLES R	
			ART UNIT	PAPER NUMBER

3624

DATE MAILED: 04/18/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/819,462	<b>Applicant(s)</b> BAUMANN ET AL.	
	<b>Examiner</b> Charles R Kyle	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 28 March 2001.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 8 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Claim, depending from Claim 6 which recites negative confirmation for a non-receivable commodity, contradicts Claim 6 by requiring positive confirmation for a non-receivable commodity. It is unclear why or how the second confirmation of Claim 8 would occur after the transaction was authorized by the step of Claim 6. For purpose of examination, it is assumed that the second positive confirmation is performed because the order from a catalog server is handled as an exception and the negative confirmation approval of Claim 6 is not performed.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 1-2 and 5-7** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited

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mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*.

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However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001), non-precedential but cited for its reasoning.

In the present application, Claims 1-2 and 5-7 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The steps recited could be performed manually by a person physically reviewing, authorizing and paying invoices using a traditional paper accounting system. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network into the preamble and body of the Claims reciting steps; for example: "receiving said invoice for commodities from a vendor at a computerized invoice processing workstation".

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

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**Claims 1-7 and 17 and 19** are rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,507,826 *Maners*.

**With respect to Claim 1**, *Maners* discloses the invention substantially as claimed including in a method for approving and paying an invoice for commodities (Abstract), the steps of:

receiving said invoice for commodities from a vendor (Col. 8, lines 59-62);

generating from said invoice a notification to an authorizer that includes information needed pay the invoice and choices of authorizing or rejecting payment (Col. 8, line 63 to Col. 9, line 50); and

responsive to authorization by said authorizer, creating an automated receipt transaction file and entering said transaction file into a system payment (Col. 9, lines 38-44).

*Maners* further discloses the use of buttons to select among alternatives (Figs. 4-9) and alternative selection between authorizing (approved) and rejecting (refused) invoices (Fig. 3). *Maners* does not specifically disclose that a button is used to select between these alternatives. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify *Maners* to use a selection button to authorize or reject an invoice because this would provide a familiar and easily used interface element for an authorizer to indicate such a choice.

**Concerning Claim 2**, *Maners* discloses a system for enterprise resource planning at Col. 3, line 59 to Col. 4, line 3 and Col. 6, line 21 to Col. 10, line 17, at least. Enterprise resource

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planning is broadly read to mean planning to use resources of a company; the invoice processing system meets performs this function. Applicants' specification provides no particular detail on the concept.

**With respect to Claim 3**, *Maners* discloses notification of accounts payable of invoice status (Col. 38-44) and return of rejected invoices to a vendor (Col. 9, line 44-52). *Maners* also discloses the use of e-mail in authorization at Col. 8, lines 21-29.

**Concerning Claim 4**, *Maners* does not specifically disclose that a requester authorizes. Official Notice is taken that it was old and well known to have a requester authorize certain of his/her own payments. For example, company issued credit cards, with particular limits set, could be used by employees to make self-authorized purchases. *Maners* discloses a limit at which authorization by another is unneeded at Col. 8, lines 53-62; this suggests allowing a requester authorize.

**Regarding Claims 5, 6 and 7**, *Maners* discloses receivable (requiring positive confirmation) requisitioned commodities at Col. 8, line 63 to Col. 9, line 52 and Col. 6, lines 5-20, and non-receivable (requiring no confirmation) requisitioned commodities at Col. 5, lines 40-58.

**With respect to Claim 17**, see the discussion of Claim 1 and *Maners* further discloses a program storage device embodying instructions to perform the recited steps at Fig. 2, ele. 202 and related text.

**With respect to Claim 19**, see the discussion of Claims 1 and 17.



**Claims 8-16 and 18** are rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,507,826 *Maners* in view of US 5,970,475 *Barnes et al.*

**With respect to Claim 8**, *Maners* discloses the invention substantially as claimed. See the discussion of Claim 6 above. *Maners* does not specifically disclose sourcing from a catalog server. *Barnes* discloses this limitation at Figs. 3, 5 and 6A and related text. *Barnes* further discloses positive confirmation of such a purchase at Col. 25, lines 71-40. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify *Maners* with the limitations disclosed by *Barnes* because this would allow a purchaser to shop in a broader area while still maintaining appropriate controls over his/her spending.

**With respect to Claim 9**, *Maners* discloses recording of a rejection in a database at Fig. 3, line connecting “Release Manager” box to “Invoice History Grid” box. See also Col. 6, lines 48-67. *Barnes* discloses a backend procurement system at Fig. 3.

**Concerning Claim 10**, *Maners* does not specifically disclose scheduled sending of payment acceptances to a backend procurement system. Official Notice is taken that it was old and well known to schedule financial data transfers for regular transmission. For example, batch processing was a familiar way to transfer data. It would have been obvious to one of ordinary skill in the art at the time of the invention to perform such data transfer in *Maners* because this would provide timely, predictable workloads for the system. As to the front-end and back-end descriptions of systems, they are not claimed in level of detail so as to clearly demark them.

**Concerning Claim 11**, *Barnes* discloses posting as receipts items for which payment is accepted at Col. 36-43.

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**With respect to Claim 12**, *Maners* does not specifically disclose notification of a confirmation notice at login. Official Notice is taken that it was old and well known to provide important information to a user upon first access to a data system. For example, the notification "You've got mail!" was used to draw a user's attention to new incoming e-mail. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify *Maners* to include such notification upon login because this would provide timely notification of a user of important information regarding payment authorization.

**Concerning Claim 13**, see the discussion of Claims 1 and 10.

**Concerning Claim 14**, see the discussion of Claims 13 and 7.

**Concerning Claim 15**, see the discussion of Claims 14 and 5.

**Concerning Claim 16**, see the discussion of Claims 15 and 8.

**With respect to Claim 18**, see the discussion of Claims 17, 10 and 5-8.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent A Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

crk  
April 7, 2005

Examiner Charles Kyle

A handwritten signature in black ink, appearing to read "Charles Kyle", with a stylized flourish at the end.